

BLOOMFIELD TOWN COUNCIL

JOINT MEETING OF THE **LAND USE & ECONOMIC DEVELOPMENT SUBCOMMITTEE** **AND** **FINANCE SUBCOMMITTEE**

There was a special joint meeting of the above referenced subcommittees held on Wednesday, January 4, 2017 at 6:30 p.m. in Council Chambers, Bloomfield Town Hall, 800 Bloomfield Avenue, Bloomfield, CT.

Land Use & Economic Development/Finance Committee members present were: Deputy Mayor Schulman, Councilors Hypolite, Washington, Rivers, Merritt, Seldon, Neuwirth and DeLorenzo

Also present were: Mayor Gamble, Philip K. Schenck, Jr., Town Manager, India Rodgers, Clerk of Council, Jose Giner, Director of Planning & Economic Development, James Wren, Director of Finance, Todd Helms, Town Assessor and India Rodgers, Clerk of Council

Guest were: Michael Goman and David Driver of Goman & York, Economic Development consultants, Harry Freeman, V.P., Economic Development, Bob Butler, President and Tim Butler, Secretary of Butler Construction Inc.

The meeting was called to order at 6:40 p.m.

Old Business

Review and Discussion regarding the Tax Abatement Policy

This item will continue to be reviewed by both Land Use & Economic Development and Finance Subcommittee for recommendations and improvements.

New Business – Referral Request for Tax Incentives

Butler Construction Inc. Presentation

This applicant will make a presentation to this joint subcommittee at a meeting scheduled towards the end of January 2017.

Council Referred – FY 16/17-28: Discussion and Possible Action (Trader Joe's)

Mr. Philip K. Schenck, Jr. presented a tax incentive proposal for Trader Joe's. The town has offered Trader Joe's a tax abatement agreement of 50% of the taxes generated by the increased value to real property that will be realized by the development over a base period of 4 years. Based on the estimated added assessed value of \$28,700,000 the total benefit for the Company will amount to approximately \$2.1 million over this four year period assuming the current tax (mill) rate of .03365. Trader Joe's accepted this offer subject to formal agreement from Council and Town Attorney.

Councilor Merritt congratulated the negotiating team on offering incentives. He is in support of strictly offering 50% over a 4 year period.

Mayor Gamble mentioned the recommendations of the Economic Development Commission (EDC), which was noted at no more than 70% for four years. The town is offering 50%, which is considerably less than the EDC recommendation.

Councilor Hypolite stated that the draft proposal recommended does not include incentives. He agrees to consider recommending an agreement without additional incentives.

Deputy Mayor Schulman reiterated the community benefits of hiring efforts for 675 jobs and 150 transportation job opportunities. He also requested a short briefing on land values, taxes and personal property estimates for this site location.

Councilors Washington and Rivers agreed with the need for minority hiring because of town demographics and requested monitoring measures to achieve this goal. Variety of recruitment strategies – minority hiring

Mr. Schenck Jr., stated that the town completed an informal analysis, which may vary over the few years due to financial outlook and scheduling. The town currently receives \$4,000 in taxes per year. In 2019, a full re-evaluation will be completed. The town is projected to receive \$1.2 million per year before any abatement and \$600,000 in building permits. Trader Joe's is on a strict timeframe for construction and start up within the next year.

Councilor Seldon stated that the company can make its best efforts in minority hiring, however if they are not committed to provide jobs to Bloomfield residents, there are no beneficial incentives for town residents. The town will receive financial growth with tax revenues and building permit fees from this project. He also expressed concerns about setting a precedent, in which a company does not have to commit to minority hiring and still receive tax incentives.

Mr. David Driver of Goman and York mentioned that Trader Joe's is a huge contributor to local food pantries in town. They are committed to participating with providing services to the community.

Deputy Mayor Gamble stated that the amount of jobs offered is a consideration. She also mentioned that some Council members have strong feelings about including minority hiring as a requirement in draft tax abatement policy.

Public Comments

1. **David Mann, 1 Adams Road**, commented about finalizing the tax abatement policy prior to the consideration of any projects.
2. **Sharon Mann, 1 Adams Road** (read a statement on behalf of Kevin Gough, 5 Bear Ridge Drive). Please see attached)
3. **Harry Freeman, 115 Carriage Way, Windsor, CT**, stated that applicants requesting tax abatements do not want to be held hostage to hiring minorities.
4. **Joseph Suggs, 10 Sandpiper Drive**, mentioned a shift in policy with this tax incentive proposal. In the past, Council required a percentage from a company regarding minority hiring for tax abatements.

Mr. Giner read the approved motion and recommendations from the Economic Development Commission (EDC) on behalf of this project.

Discussion and Possible Action on Tax Incentives for Butler Construction, Inc.

Mr. Harry Freeman, V.P., Economic Development, Mr. Bob Butler, President and Mr. Tim Butler, Secretary of Butler Construction Inc. presented their formal request for tax incentives for their proposed 42,000 square foot corporate headquarters.

Councilor Merritt commented that this company does fit into any categories for tax incentive projects for the Town of Bloomfield.

Councilor Hypolite and Washington asked about current job openings and the residency of most employees. It was noted that most employees live in the Greater Hartford region. There is a goal to hire approximately 100-200 full time, part time and seasonal employees in the next 5 years.

Councilor Seldon requested the consideration of honoring additional incentives and complying with sustainable energy measures.

Councilor Rivers asked if Butler have acquired a list of available contractors.

Councilor DeLorenzo inquired about the maintenance of the building in Windsor. It was noted that the owner may sell or lease the current property. The new building of 42,000 square feet is needed to accommodate additional growth to company and its employees.

Deputy Mayor Schulman stated that the EDC passed a resolution in support of this business coming to Bloomfield. The EDC recommended that the application for tax abatement with Butler Construction move forward with positive Council approval.

Mr. Lenny Hodges, a member of the EDC spoke in favor of this project coming to town.

Mr. Schenck, Jr. stated that this project has been vetted by town administration as well.

Mr. David Mann, 1 Adams Road requested that Town Administration work on the finalization of abatement policy, including tax base increases, jobs and providing assistance with partnering on various town projects.

It was moved by Councilor Neuwirth, seconded by Councilor DeLorenzo and voted unanimously to postpone discussion of request for tax incentives with Butler Construction, Inc. until the next scheduled Land Use & Economic Development subcommittee meeting. All recommendations will be forwarded to full Council at their next scheduled meeting January 23, 2017.

It was moved by Councilor DeLorenzo, seconded by Councilor Merritt and voted unanimously to defer discussion regarding tax incentives with Butler Construction, Inc. until the next scheduled Finance subcommittee meeting, January 17, 2017 at 5:45 p.m.

Mr. Schenck, Jr. and Mr. Giner will provide all updates prior to the next scheduled meeting.

Mr. Butler, President of Butler Construction Inc. made several brief remarks about the company's vision to expand and increasing their workforce over the next 5 years. He also explained the need to move to Bloomfield and how they would be great corporate citizens in meeting collaborating with the town on job recruitment.

Approval of Minutes

It was moved by Councilor DeLorenzo, seconded by Councilor Seldon and voted unanimously to approve the minutes of December 20, 2016.

Adjournment

It was moved by Councilor Merritt, seconded by Councilor Neuwirth and voted unanimously to adjourn this meeting at 9:00 p.m.